APPROPRIATION SUBCOMMITTEE TEMPLATES

PURPOSE

The Legislative Finance Committee (LFC) requested that staff develop a standardized template for agency informational presentations to the appropriation subcommittees. The LFC wanted **BRIEF** summary information in a standardized format on each budgetary unit presenting to the appropriations subcommittee. Standardization allows each appropriations subcommittee member to be able to find the same information on each budgetary unit. The other goal of the templates is to shorten the time spent on general agency informational presentations and increase the time the committees focus on the agency's budgetary issues. Following LFC approval, a copy of the templates was sent to each member of the 2005 Legislature appropriation subcommittees for comment. We have incorporated those comments into this document.

Comments from legislators guided the format of the template. It was clear they desired a 2 to 3 page document, double sided, with brief descriptions of the functions and issues.

Legislators want to know what you did with the funding you received in the last biennium. What progress did you make on program expansions, hiring of new FTE, and audit recommendation implementation. What are the goals for each program and what specific, measurable, time-bound objectives do you have for meeting those goals.

FORMAT REQUIREMENTS

USE THE TEMPLATE WITHOUT CHANGING THE PRESCRIBED FORMAT OR ADDING TO THE INFORMATION. Legislators will ask for additional information during the subcommittee process, however please don't provide it unless requested. Instead, as stated, use the template information to guide discussion and focus the appropriation subcommittee on the budget issues. An electronic template is located on Legislative Fiscal Division's website. Please follow the guidelines below when formatting the templates:

1) Compile all templates for each agency together.
2) Pages should be double sided.
3) Place a footer at the bottom of the pages with the agency name, the division or program and number the pages for the agency.
4) Refrain from using abbreviations, acronyms, technical terms, or industry specific jargon. Your target audience is new or returning legislators who may not be versed in the areas you are discussing.

SUBMISSION REQUIREMENTS

1) The templates need to be completed and sent to the Legislative Fiscal Division (LFD) by December 20, 2006.
2) Provide 50 hard copies of each template, 3 hole-punched.
3) Maintain an electronic copy incase additional copies are needed for the legislature.

ELECTRONIC TEMPLATE

The electronic templates are under LFD Training on the LFD website. To download it from the website to your computer:

- Create a folder for the agency and one for each division or program that requires a template.
- Under your agency folder create a folder called "Original_Templates".
- Go to the LFD website, click on LFD – Template Document, select Save, save into the Original_Templates folder you created.

- Go back to the LFD website, click on LFD –Spreadsheet, select Save, save into the Original_Templates folder you created.
- If you have more than one division or program, copy the Original_Template folder with the spreadsheet and the document in each of the division folders at this time.

***See figure 1, for an example of the file structure for an agency with 4 divisions. Figure 2 illustrates how names can be changed at the agency level. Figure 3 illustrates the possible naming convention for a division or program.** Note: the name of the document can be changed to match the agency, division, or program. However, do not change the name of the Agency_Template spreadsheet.

Figure 1

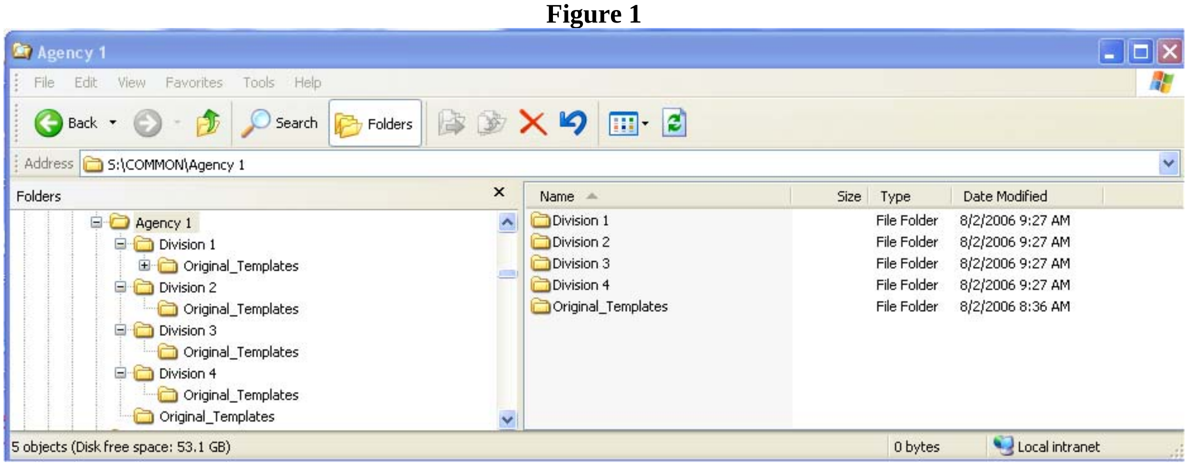


Figure 2

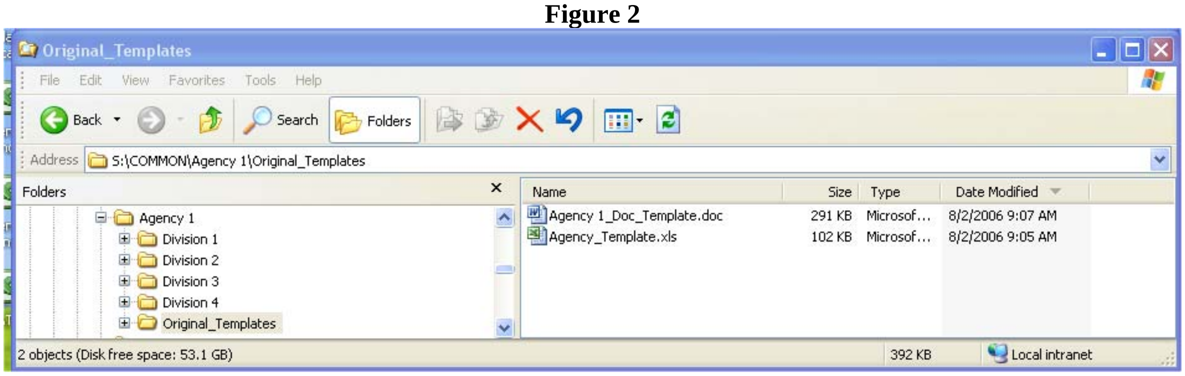
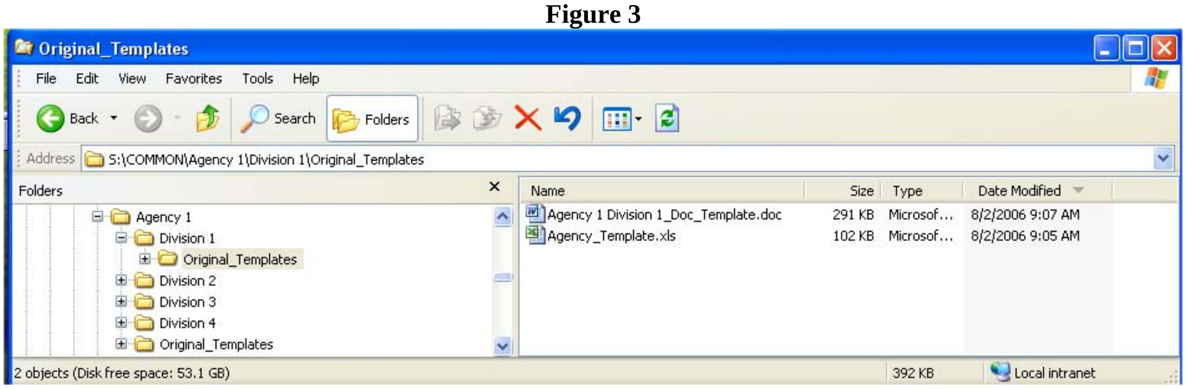


Figure 3



For each agency, division, or program, complete the following:

- Open the spreadsheet template and update the information, save and close
- Open the word template document, click No to the question update links. ****See figure 4**
- In the word document, click on the 1st chart in the document
- Right click, then select "Update Link from the menu that appears. *** **See figure 5**
- Repeat the 2 steps mentioned above until all 6 charts/graphs have been updated.

- This method re-links the document to the spreadsheet which automatically generates the charts/graphs in the template.

Figure 4

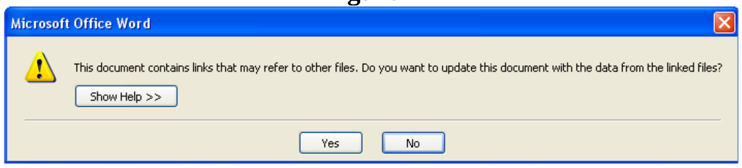
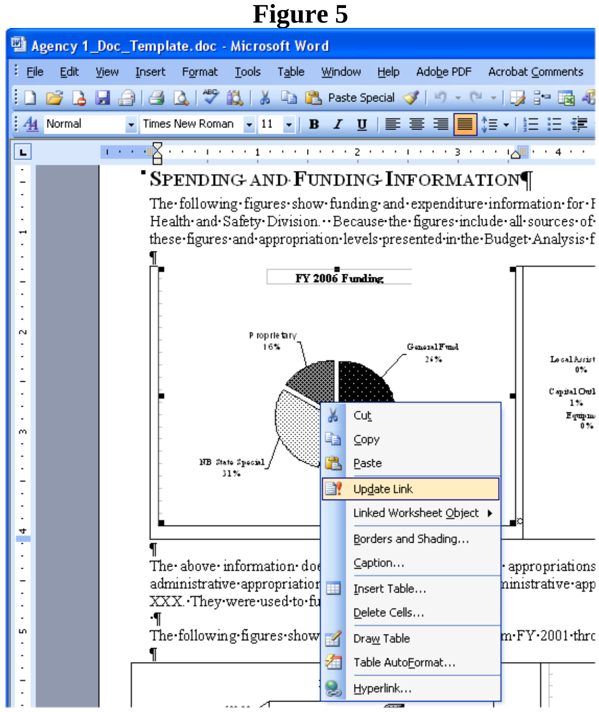


Figure 5



INFORMATION REQUIREMENTS

Please ensure all information is complete and the budgetary issues match information already submitted to the Office of Budget and Program Planning.

1) **Department, Division, Program Contacts*:*** List staff legislators can contact regarding the information presented in this template. Include their title, name, phone number and e-mail address.
2) **What the (Department, Division, Program) Does** Provide a 3 to 4 sentence description of the general mission of the budgetary unit.
3) **Statutory Authority for Department, Division, Program** List the primary statutory authority for the budgetary unit here. Either federal or state statute.
4) **How Services Are Provided** Under this heading briefly outline the divisions, bureaus or sections for the budgetary unit and their related functions. Include FTE numbers for each area described. This section should be no more than half a page of information. Legislators want brief summaries not detailed descriptions.
5) **Spending and Funding Information** The first two figures show financial information from the base year, both funding and first level expenditures, from all sources. Include all statutory funding, HB 2, any other HBs, and private grants. Include all funds and expenditures. Enter this information in the linked excel spreadsheet. The charts will be automatically generated and placed in the template. Historical information on funding from House Bill 2 for the last 5 fiscal years is also entered from the excel spreadsheet. Fill in the paragraph discussing administrative appropriations if you had any in fiscal year 2006. Put in a sentence stating you did not receive any administrative appropriations if this is the case. Do not include departmental indirects in the revenues or expenditures.

6) **2007 Biennium New Program Implementation and Program Expansion** ‘
   - **Program Expansion:** Describe the implementation status of new programs or expanded programs implemented in the current biennium. When and by what date was the new or expanded program implemented. If it was supposed to be July 1 of 2005 and did not start until January or February 2006 briefly describe why.
   - **FTE:** If the legislature approved funding for additional FTE in the current biennium what date were they hired. If you were unable to hire FTE on the anticipated date, write a short sentence on why.
   - **Corrective Action Plans**: For any federal or legislative audit recommendations list where you are in implementing a corrective action plan. List the audit recommendation, the corrective action you are using to address the concern raised by the audit and the timeline you will be using to implement the corrective action.
7) **2009 Biennium Budget:** Enter into the excel spreadsheet the funding requested for the 2009 biennium in House Bill 2. The charts automatically generate from the information you enter. One figure shows personal services, operating expenses, equipment, grants, benefits & claims, and transfers. The other shows general fund, state/other special, and federal special you will be using to fund your expenditures.
8) **Goals and Measurable Objectives:** Enter the goals you will pursue when utilizing the funding requested for the 2009 biennium. For each goal list specific, time-bound, and measurable objectives. This information will be reviewed by legislators and used to make decisions on the appropriations. (See the Measurable Objectives listed in the DPHHS template presented to the LFC.) Each goal has a number of specific objectives which have dates and performance measures attached to them. This should not be the entire listing which is submitted to OBPP during the budget process but highlighted goals which you wish to address in the next biennium.
9) **Budget and Policy Issues:** Provide a brief summary of the budget or policy issues included in your budget request as presented in the Governor’s Overview & Agency Budgets. One line per item is recommended.
10) **Most Significant Issues Expanded*:*** Provide a brief description of the 3 or 4 most significant issues for the division or program the legislature will be considering for the budget unit. These issues are where the appropriation subcommittee should be focusing their time and energies.

UTILIZATION BY THE LEGISLATURE

Through the LFC the templates were developed to be the guiding document for agency informational presentations to the appropriation subcommittees. The House Appropriations Committee and the Senate Finance and Claims Committee may also be given complete sets of the documents for use in their deliberations. We will also make the documents available to other legislators at their request.

EVALUATION OF SELECTED BUDGET REQUESTS

The Legislative Finance Committee (LFC) approved a standardized process for the Legislative Fiscal Division (LFD) to collect and analyze information regarding proposals that add new functions or considerably expand functions of state government. The purpose of this process is to collect the same information on each proposal identified and integrate that information in to the publications of the LFD. Additional information requests beyond this initial collection will be based on the proposal and the needs of the individual analyst performing the analysis.

PROCESS

Analysts from the LFD and the Office of Budget and Program Planning (OBPP) will negotiate which approved EPP proposals will be reviewed through this process. This is negotiated on a per agency basis, not a statewide basis. The LFD analysts will notify the agency contacts of the decision packages that are initially selected for this process. The agency will then be responsible for inputting the required narrative into MBARS. When OBPP transmits the budget to LFD, the LFD analysts will utilize this information in the budget analysis. At this point additional information or clarification may be requested.

DIRECTIONS

The following outlines the requirements for submission of the information on the selected decision packages.

Formatting

Enter the requested information in the narrative portion of the decision package description window in MBARS. The space available in this window is ample to record the requested information. Utilize the following headings as written:

JUSTIFICATION
GOALS
PERFORMANCE CRITERIA
MILESTONES
FTE
FUNDING
OBSTACLES
RISKS

The LFD will use these headings to separate out information and convert to LFD formatting standards.

General Writing Guidelines

Answer the key question listed with the heading. Be clear, concise and to the point. Avoid the use of abbreviations, acronyms and industry specific jargon. An example of a **purely fictional** decision package is attached for reference.

Justification

Why is this proposal needed? Clearly describe the problem or situation the proposal is intended to address. Provide the history of the problem or situation and supply simple supporting statistics or data.

Goal(s)

What are the goals of the proposal? Provide key goal(s) of this proposal. Describe how the goals fit in the overall mission of the department.

Performance Criteria

How will progress be measured? Provide the criteria that will be used to measure progress towards the goal. Performance criteria need to fit the SMART criteria in that they should be **s**pecific, **m**easurable, **a**ccountable, **r**esultsoriented and time-bound. Be sure to include who will do the monitoring, and what results could trigger a change in implementation plans.

Milestones

When will key activities to the proposal be completed? Provide a timeline in general terms (month/year) of significant milestones for the proposal. Significant milestones can include hiring of employees, training of contractors/providers, developing administrative rules, etc. Be prepared to provide greater detail to the appropriations subcommittees.

FTE

Who will do the work? Furnish a description of the work each position requested will complete. (i.e. The program specialist will track enrollment and utilization of services.) Provide a timeline for recruitment and hiring of all FTE tied to the proposal. Identify and provide a plan to address any potential recruitment issues. Discuss any current retention issues of similarly classified employees.

If the proposal does not request any additional FTE, identify who will complete the work under the proposal. If current employees, discuss how current job responsibilities will be handled.

Funding

How does the funding work?

- If the proposal is based on a <u>new revenue source</u>, provide projection of collections for the biennium. Include the assumptions made when projecting revenues.
- If the proposal is funded with <u>state special revenue</u>, discuss why the specific funding source is appropriate.
- If funded by <u>federal fund</u>, provide the CFDA number and discuss the stability of the funding.
- If <u>general fund</u> is being requested, discuss the lack of alternative funding sources.

Obstacles

What are the challenges to implementing this proposal? Describe any major obstacles to successful implementation and discuss how those obstacles will be mitigated.

Risk

What is the risk to the state if the proposal is not adopted? In real terms, discuss the risks to the state if the proposal is not approved. Avoid the “sky will fall” approach to defining risks.

THEN WHAT?

The information provide in the budget request will be edited and analyzed for inclusion in the budget analysis. As stated, analysts may request additional information or clarification to complete their work. The budget analysis document will include the collected information and may be followed with commentary by LFD staff. The commentary will be highlighted in a different format to identify a potential expansion of government to the legislature.

The legislature will utilize this information in the budget deliberation process and may choose to use the information to condition appropriations. In addition the legislature may use this information for the basis of monitoring activities during the interim. Action associated with the information will be recorded in the Fiscal Report in June of 2007.

EXAMPLE OF NEW PROPOSAL EVALUATION

NOTE: This is a purely fictional new proposal.

NP 1001 – Natural Resources Exchange Program -The legislative fiscal division is requesting $500,000 in state special revenue to establish an analyst exchange program in the area of natural resource and energy development. This would provide funding for international travel for the Principal Expenditure Analyst and the Natural Resources Fiscal Analyst to study programs in advanced European nations to gather new and innovative ideas to improve natural resource and energy development programs. The proposal also includes funds for temporary staffing, laptop computers and new luggage.

As a significant new proposal, the following information was required from the agency:

Justification: The proposal will close a research gap for the LFD. The LFD currently does not have personable access to the natural resource programs being developed in European countries. Since the executive has clear intentions of natural resource development, the project would allow the legislature to be better prepared to review proposals and provide appropriate alternatives for consideration.

Goal: Provide LFD staff with access to emerging developments in the area of energy and natural resource development to assist the Legislature in developing cost efficient programs.

Performance Criteria: The Legislative Finance committee will monitor on a quarterly basis the activity associated with this proposal. Should the LFC determine that significant progress is not being made, the implementation plan could be revised.

- Eight trips to obtain research information will be designed, booked and completed by the end of FY09
- LFD staff will be able to speak fluent German by the end of FY08 to increase the ability to communicate with natural resource policy makers in European countries.
- Following each completed trip a complete report, including digital photos, will be provided to the Legislative Finance Committee for the purpose of conveying information.
- LFD staff will provide the LFC with options to invest in or develop natural resource projects based on the outcome of the exchange program by October 2008.

Milestones: Major milestones include:

- September 2007: All eight trips will be booked.
- October 2007, December 2007, March 2008, June 2008 – Updates provided to LFC
- October 2008 – Proposal to the LFC for a new natural resource development program

Obstacles: Staff has identified the following obstacles:

- Communication challenges
- Jet Lag

Risk: Without this program, the legislature may not be able to establish a cost effective natural resource development program. Exposure to the innovations in European countries would be lost.

NEW PROPOSAL ANALYSIS

The proposal is lacking a well-thought out plan that demonstrates the value to the state as a whole. The proposal does attempt to tie European travel with the development of new natural resource projects. However, there is no indication that the proposal will provide significant return on investment. The performance criteria are measurable but are not meaningful. The plan also lacks a serious look at potential obstacles and alternatives to on-site research have not been considered. The options available to the legislature are:

- Approve the decision package with language to address the issues
- Request additional information prior to making the decision
- Deny the decision package